

HOUSE RESEARCH

Bill Summary

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Overview

This bill is the Department of Human Services (DHS) bill establishing a statewide payment methodology for home and community-based services.

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- 1 Payment methodologies.** Amends § 256B.4912, subd. 2. Adds a cross-reference to the payment methodology development statute.
- 2 Payment requirements.** Amends § 256B.4912, subd. 3. Modifies the list of items the payment methodology must accommodate.
- 3 Payment methodology development.** Amends § 256B.4913.

Subd. 1. Research period and rates. Repeals this subdivision.

Subd. 1a. Application. Makes the payment methodologies apply to the CAC, CADI, DD, and BI home and community-based services (HCBS) waivers.

Subd. 1b. Definitions. Defines the terms “commissioner,” “component value,” “customized living tool,” “disability waiver rates system,” “median,” “payment,” “rates management system,” and “recipient.”

Subd. 1c. Applicable services. Lists the applicable services authorized under the state’s home and community-based waivers for persons with disabilities.

Subd. 2. Framework values. Repeals this subdivision.

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Subd. 3. Data collection. Repeals this subdivision.

Subd. 4. Rate stabilization adjustment. Repeals this subdivision.

Subd. 4a. Rate stabilization adjustment. Requires the commissioner to adjust individual reimbursement rates by no more than 1 percent per year effective January 1, 2014. Requires this adjustment to be made annually for three calendar years from the date of implementation. Applies this adjustment to services that are authorized in a recipient's service plan prior to January 1, 2014. Allows exemptions only when there is a significant change in the recipient's assessed needs which results in a service authorization change. Specifies limitations and management of exemptions. Makes this subdivision expire January 1, 2017.

Subd. 5. Stakeholder consultation. Modifies stakeholder consultation to allow for an existing stakeholder group and others to assist in the full implementation of the new payment system. Removes obsolete language.

Subd. 6. Implementation. Modifies implementation of the new payment methodology. Directs lead agencies to enter person-specific information into a rate management system developed by the commissioner. Requires all new service authorizations and all renewing individual service plans to use the disability waiver rates system beginning January 1, 2014. Requires data for all recipients to be entered into the disability waiver rates system by December 31, 2014. Requires the commissioner to make adjustments to lead agency waiver budgets per the federally approved HCBS waiver plans for people with disabilities beginning January 1, 2014.

Subd. 7. Uniform payment methodology. Requires the commissioner to determine a uniform methodology to meet the individualized service plan for HCBS waiver plans for people with disabilities. Requires the commissioner to use component values to determine the service payment rate. Makes the customized living tool the payment methodology for customized living, 24-hour customized living, and residential care services. Requires revisions to be made to the customized living tool to reflect the services and activities unique to disability-related recipient needs.

Subd. 8. Payments for residential services. Specifies how payments for residential support services are calculated.

Subd. 9. Payments for day programs. Specifies how payments for services with day programs, including adult day care, day treatment and habilitation, prevocational services, and structured day services are calculated.

Subd. 10. Payments for unit-based with program services. Specifies how payments for unit-based with program services, including behavior programming, housing access coordination, in-home family support, independent living skills training, hourly supported living services, and supported employment provided to an individual outside of any day or residential service plan are calculated.

Subd. 11. Payments for unit-based without program services. Specifies how

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payments for unit-based without program services including night supervision, personal support, respite, and companion care provided to an individual outside of any day or residential service plan are calculated.

Subd. 12. Updating or changing payment values. Requires the commissioner to develop and implement uniform procedures to refine terms and update or adjust values used to calculate payment rates. Requires the commissioner to use the values, terms, and procedures provided in this section for calendar year 2014. Requires the commissioner to work with stakeholders to assess efficacy of values and payment rates. Requires the commissioner to report to the legislature with proposed changes for component values and recommendations for revisions by February 15, 2014, February 15, 2015, February 15, 2017, February 15, 2019, and February 15, 2021. Requires reports to be provided on a four-year cycle after 2021. Requires the commissioner to provide a public notice detailing certain legislatively approved changes in October of each year beginning October 1, 2014. Requires the information in the notice to be effective January 1 of the following year.

Subd. 13. Payment implementation. Makes the payments established under the statewide payment methodology supersede rates established in county contracts for recipients receiving HCBS waiver services.

Subd. 14. Transportation. Directs the commissioner to require the purchase of transportation services to be cost-effective and limited to market rates where the transportation mode is generally available and accessible.

Subd. 15. Customization of rates for individuals. Requires direct care costs to be increased by an adjustment factor for persons determined to have higher needs based on being deaf or hard-of-hearing. Specifies the customization rate for deaf or hard-of-hearing persons.

Subd. 16. Exceptions. Allows the commissioner to approve alternative payment rates for individuals with exceptional needs who are identified by lead agencies. Requires lead agencies to submit exceptions requests to the state. Specifies the information that must be included in an exception request. Requires the state to review requests and make determinations. Requires lead agencies to manage approved exceptions within the lead agencies' budgets.

Subd. 17. Budget neutrality adjustment. Requires the new payment methodology to be budget neutral. If total forecasted spending under the new payment methodology is projected to be higher than under current law, gives the commissioner the authority to adjust rates by the percentage needed to adjust spending in each category to the same level as projected under current law.